

FACT SHEET 2005 Act 25

MANAGED FOREST LAW and

WISCONSIN FOREST LANDOWNER GRANT PROGRAM CHANGES

On July 25, 2005 the Governor signed into law 2005 Wisconsin Act 25, the 2005/07 Budget Bill. This act has made some changes to the Managed Forest Law (MFL) related to the application fee, who is responsible for preparing management plans required for enrollment, and the cost for the development of the management plan. The initial effective date for these changes is June 1, 2005; therefore any application received on or after June 1, 2005 will be impacted by these changes. Although the changes are to MFL statutory language there are some impacts on the Wisconsin Forest Landowner Grant Program (WFLGP) due to the cost sharing of management plans. The following is a list of the statutory changes, and the proposed rule and administrative revisions designed to deal with the statutory changes.

NOTE: Some work is in progress to try to legislatively modify the effective date but we will not know the outcome/answer until late October at the earliest.

MANAGED FOREST LAW CHANGES

APPLICATION FEE

The application fee for applications has been reduced from \$300 to \$20. This \$20 fee is provided to cover the cost of recording the documents associated with a managed forest law entry.

PLAN PREPARATION RESPONSIBILITY

In the past, by statute, the Department has had the responsibility to prepare any MFL management plan if the landowner requested that the Department prepare it. 2005 Wis. Act 25 has changed this to allow the Department to decline to prepare a plan. A process to refer all MFL applications received to Certified Plan Writers (CPW) is being proposed to help determine which plans the Department will prepare. A CPW is a private professional forester who has received special training in preparing MFL management plans.

The goal of allowing the Department to *decline to write management plans* is to encourage landowners to utilize the growing number of private professional foresters to write the management plans required for enrollment in the managed forest law. This will free up the time of Department Foresters to work with all aspects of MFL program administration and to devote time to other high priority forestry work that is not being adequately addressed now.

PETITION REFERRAL PROCESS (applies to applications submitted for the July 1 deadline only.)

1. Petitions received on or before July 1 without a plan will be placed on a MFL Petition Referral List.
2. The referral list will be made available to CPWs who will have 45 days to make an offer to the landowner to prepare their MFL management plan. Notice of the offer must be supplied to the Department within 5 days of making the offer and include landowner information and the date the offer was made. If an offer is made the Department will not prepare the plan.
3. If the landowner does not receive an offer within 45 days of being placed on the referral list the Department may agree to prepare the plan.

The landowner can have their name removed from the list if they have already hired a CPW to prepare the plan.

The Department is almost completed with the creation and implementation of the Certified Plan Writer (CPW) program that was passed last year in 2003 Wisconsin Act 228. As soon as a list of CPWs is available it will be distributed and made available on the internet.

PLAN COST

For any plan the Department agrees to prepare the landowner will be responsible for the cost of the Department to prepare the plan. The plan preparation fee will be billed when the plan is sent to get the landowner's signature. If the landowner hires a CPW to prepare the plan they will pay the CPW what ever they agreed to.

(DNR) PLAN PREPARATION FEE

The plan preparation fee (PPF) will be assessed to the landowner for any plan the Department agrees to prepare for enrollment. The PPF must be established annually based on comparable market rates. The proposal is to have one statewide PPF that would be made up of a base rate plus a cost per acre.

The initial PPF for 2007 and 2008 entry years will be set in the rule with a formula for calculating the rate each year beginning July 2, 2007 for 2009 entries.

Initial PPF for 2007 and 2008 entries

Base = \$375/plan

Cost/acre = \$5.60/acre

Cost data from DNR contracting with consultant foresters to prepare MFL plans in the last year was used to set the initial rate.

PPF Formula

Average of the cost data supplied by CPWs for MFL plan preparations completed in the previous year (June 1 through May 31). The PPF will consist of a base rate plus a cost per acre rate.

CPWs will be required to supply the cost data as part of their certification maintenance requirements.

The \$280 of each PPF will be deposited in the contracting appropriation. This is money designated to be used by the Department to contract with CPWs to prepare plans. The balance of the fee will be deposited in the Forestry Account.

DELINQUENT PLAN PREPARATION FEE

The landowner will be given 30 days to pay the PPF. If the fee is delinquent on October 1 of the year in which the order of designation will be issued, entry will be denied (e.g. orders of designation for 2008 entries will be issued in November 2007).

CERTIFIED PLAN WRITER (CPW) REQUIREMENT

CPW will be required to submit MFL plan preparation cost data to the Department on an annual basis. Data must be submitted by May 31 each year to be used in the calculation of the PPF.

DEADLINE FOR DRAFT PLAN (applies to May 15th application process only)

It is anticipated that this later deadline will become the main application deadline. The deadline for a draft plan would be moved up to February 1 (from April 1) to allow sufficient time for Department review.

WISCONSIN FOREST LANDOWNER GRANT PROGRAM (WFLGP) CHANGES

COST SHARING FOR PLANS

Cost sharing for MFL plans has always been available for owners of 500 acres or less and will continue to be available whether the plan is prepared by a CPW or a Department Forester.

COST SHARE RATE

The cost share rate for all practices will be set at 50%. This does not require a revision to the administrative rule. Currently the administrative rule allows for the rate to be set at 50% - 65%. Setting the rate at 50% will allow the WFLGP to cover more practices.

ADD A 4TH APPLICATION BATCHING PERIOD

November 1 will be added as the fourth batching period to accommodate cost shared MFL plans.

DISTRIBUTION OF COST SHARE FUNDS

Several adjustments to the distribution of cost share funds are being proposed to ensure that plan writing does not use all the money and to more effectively distribute the funds. The proposal includes:

- Reducing the funds set aside for emergencies from 20% to 10%. The amount set aside for emergencies has not been fully used in most years and it is felt that setting aside 10% will be adequate. No administrative rule change is required because the 10% is below the 20% limit set by rule.
- Limit available funds designated for management plan development (a priority 1 practice) to no more than 50%.
- Limit available funds designated for priority 2 practices to no more than 10% (e.g., soil and water resources protection, riparian area and wetland protection, etc.).
- Designate the remaining available funds (at least 40%) for tree planting and timber stand improvement (other priority 1 practices).

ASSIGNMENT OF PAY

Repeal the language which allows for an assignment of pay. This practice has had very little use and poses some problems including: landowner has no opportunity to agree with or review work done before payment is made and a landowner that is not satisfied with work done is not able to withhold payment.